

I. On the Facts as established by past history and as the Examiner admits them to be, restriction is impermissible

MPEP § 808.02 reads as follows:

Where, however, the classification is the same and the field of search is the same and there is no clear indication of separate future classification and field of search, no reasons exist for dividing among independent or related inventions.

The Examiner's paper concedes that all groups are "related" (paragraphs 2-7). The Examiner's paper also correctly observes that all groups are properly searched in the same search class, 705/37 (paragraphs 1(I) through 1(IV))). No reasons exist for dividing among these inventions.

Further, the first Action of May 14, 2008 examined all the claims then pending, which are only slightly different than the claims pending now. This Action applies the *same two* references, Katz '093 and Waelbroeck '827 to *all claims*. The April 2010 Action speculates that the claims might be different enough to require different searches, but the objective historical evidence establishes that they are not. There can be no showing of serious search burden.

II. The Bahr memorandum has been withdrawn, and it was illegal when issued so that the PTO has no authority to enforce it

The April 2010 paper notes that the restriction standards applied are those set forth in a memorandum from Robert Bahr of January 21, 2010. Unfortunately, the PTO failed to take the legal steps that are required when an agency wants to change the rules it applies to the public. The Bahr memorandum is unenforceable. Fortunately, however, the PTO subsequently withdrew the Bahr memorandum, so prosecution may proceed on the restriction standards set forth in the MPEP as of the filing date.

A. The Bahr memorandum has been obsoleted by the PTO and no longer applies

The PTO withdrew the Bahr memorandum in July 2010, when it issued MPEP Ed. 8 Rev. 8 without incorporating the Bahr memorandum. According to the Foreword of the MPEP,

Orders and Notices still in force which relate to the subject matter included in this Manual are incorporated in the text. Orders and Notices, or portions thereof, relating to the examiners' duties and functions which have been omitted or not incorporated in the text may be considered obsolete.

Thus, the grounds stated in the Examiner's paper of April 2010 are "obsolete" and no longer apply.

Applicant urges that prosecution resume on the basis of predictable standards, those set forth in the MPEP as of the filing date of the application.

B. The PTO lacks authority for retroactive rulemaking: if the Bahr memorandum can be applied at all, it can only be applied to applications filed after January 2010

The PTO lacks authority to change the rules in the middle of the game. The Supreme Court explained the general principle:

Retroactivity is not favored in the law. Thus, ... administrative rules will not be construed to have retroactive effect unless their language requires this result. ... By the same principle, a statutory grant of legislative rulemaking authority will not, as a general matter, be understood to encompass the power to promulgate retroactive rules unless that power is conveyed by Congress in express terms. See *Brimstone R. Co. v. United States*, 276 U.S. 104, 122 (1928) ("The power to require readjustments for the past is drastic. It ... ought not to be extended so as to permit unreasonably harsh action without very plain words"). Even where some substantial justification for retroactive rulemaking is presented, courts should be reluctant to find such authority absent an express statutory grant.

Bowen v. Georgetown University Hosp., 488 U.S. 204, 208-09 (1988). An agency violates the proscription against retroactive rule making when "the new provision attaches new legal consequences to events completed before its enactment." *Landgraf v. USI Film Products*, 511 U.S. 244, 269 n.23 (1994).

Here, the Bahr memorandum changes the legal consequences—particularly the availability of patent term extension to compensate for the Office's already extensive delays—of the decision made to file the claims in a single application rather than in a voluntarily-divided set of applications. The PTO lacks authority to force an applicant to change filing strategy decisions that were made six years earlier.

If the Office wishes to restrict at all, the law that applies is the law as it existed on October 28, 2003. Applicant believes that no restriction can be raised under that standard, but the PTO is welcome to consider the matter. But applying a new standard retroactively is simply illegal

C. The PTO Has Not Sought or Obtained Necessary Clearance for the Grounds of Restriction Set Forth in the Examiner's Paper

Like all rules of all federal agencies, PTO rules that require submissions from applicants require approval from the White House Office of Management and Budget under the Paperwork Reduction Act. 44 U.S.C. § 3507 (“An agency shall not conduct or sponsor the collection of information unless in advance of the adoption or revision ... the agency has...” followed the steps for obtaining White House approval); § 3512 (“Notwithstanding any other provision of law, no person shall be subject to any penalty...” under any agency rule that does not have White House approval).

The PTO has neither sought nor obtained White House approval for the Bahr memorandum, or for any other revisions to restriction practice, since at least June 2006. This attorney has obtained all of the PTO's Paperwork Reduction Act filings with the White House, covering all “patent processing” activities, going back to 1997. In the relevant time window, from fall 2009 to present, the PTO has made no filings as all in the relevant subject matter area.¹ Thus, the PTO has not sought – let alone obtained – the required approval for the Bahr memorandum. The Bahr memorandum is unenforceable.

In such situations, the Paperwork Reduction Act provides as follows:

44 U.S.C. § 3512 Public protection

(a) Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information that is subject to this subchapter if –

(1) the collection of information does not display a valid control number assigned by the Director in accordance with this subchapter; or

(2) the agency fails to inform the person who is to respond to the collection of information that such person is not required to respond to the collection of information unless it displays a valid control number.

(b) The protection provided by this section may be raised in the form of a complete defense, bar, or otherwise at any time during the agency administrative process or judicial action applicable thereto.

¹ All the PTO's filings since 2007 relating to prosecution between filing and issuance are available on the web at <http://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=0651-0031>

The PTO neglected to take the steps it was required to take if it wishes to enforce restriction requirements. By statute, no election is required, and the PTO is not permitted to penalize an applicant for failure to elect.

If any restriction is raised in the future, applicant requests

- Where and when the PTO published objective estimates of burden for the Bahr memorandum, as required by 44 U.S.C. § 3506(c)(2)(A) and (B).
- The OMB “valid control number” applicable to the Bahr memorandum.
- The OMB ICR submission number in which that control number was applied for *for the Bahr memorandum*, not for other patent-related activities. Note that this will almost certainly have to be a submission between June 2009 and January 2010.
- The line item in the Information Collection Supporting Statement from that submission number applicable to the Bahr memorandum.
- An indication where the control number is “displayed” in the manner required by 44 U.S.C. § 3512.
- Where the PTO informed the public that it is not required to comply with the Bahr memorandum unless the PTO displays a valid control number.

The PTO person most likely to be knowledgeable is Raul Tamayo, who is at (571)272-7728.

44 U.S.C. § 3512 provides that if any one of these six questions is not answered, the PTO cannot enforce restriction requirements. Applicant’s attorney has diligently sought for any indication that the PTO ever even attempted to take the steps it was required to take if it wishes to enforce restriction requirements. No indication has been found. Unless the PTO can provide answers to all six of the above questions, all restriction requirements must be withdrawn.

D. The Bahr memorandum is unenforceable under the Administrative Procedure Act

The Administrative Procedure Act requires that all rules be published, and that the public be given notice of the existence of the rule by notice in the Federal Register. 5 U.S.C. §§ 552(a)(1), 553(d). These provisions apply to all “rules,” whether those “rules” are embodied as formal regulations, or as informal rules in documents such as the MPEP. Further, “the USPTO must engage in notice and comment rule making when promulgating rules it is otherwise empowered to make.” *Tafas v. Dudas*, 541 F.Supp.2d 805, 812, 86 USPQ2d 1623, 1628 (E.D. Va. 2008).

Applicant's attorney has searched the Federal Register for any notice relating to the Bahr memorandum or any other amendment to restriction practice since October 2003. The only such notices relate to the now-withdrawn 2007 *Markush* rule,² and a request for comments on modifications that have not yet even reached proposed rule stage.³ There is no notice conceivably covering the Bahr memorandum. With no Federal Register Notice, the Bahr memorandum is unenforceable.

E. Conclusion: the Bahr memorandum is inapplicable, the correct standards are set forth in the MPEP as it stood in 2003

The PTO neglected the legal obligations that would be required for the Bahr memorandum to be enforceable.

The examiner is invited to use the restriction practice as set forth in MPEP Ed. 8 Rev. 1 (February 2003) Chapter 800. Applicant believes no restriction can be raised on those standards, but will not object if the Examiner does so.

III. Election

Nonetheless, in order to move prosecution forward, applicant elects.

As demonstrated by the Action of May 14, 2008, claims 1-7, 8-21, 25-35, 37-44, 47, 49-55, 57-71, 73-83, 85-92, 95, 97-101, 105, 106, 108, 109, 112, 113, , and 118-123 are closely-enough related to be examined on the same art, and thus form one group. As the Action notes, new claims 124-127 group with those claims. Applicant elects that group.

IV. Authorization for Email Communication and Conclusion

Applicant hereby authorizes the USPTO to communicate with any authorized representative concerning this application by electronic mail.

The Examiner is urged to telephone Applicant's undersigned counsel at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any

² U.S. Patent and Trademark Office, *Examination of Patent Applications That Include Claims Containing Alternative Language; Proposed Rule; Request for Comment on Initial Regulatory Flexibility Analysis* [0651-AC00], 73 Fed. Reg. 12679 (2007).

³ U.S. Patent and Trademark Office, *Request for Comments on Proposed Changes to Restriction Practice in Patent Applications*, 75 Fed. Reg. 33584 (June 14, 2010).

condition that would impede allowance. A Petition for Extension of Time extends the time for reply to October 28, 2010. In the event that further extension of time is required, Applicant petitions for that extension of time required to make this reply timely. For the entire pendency of this application, the Commissioner is authorized to charge any additional required fees (including all extension of time fees), or credit any overpayment, to Deposit Account No. 50-3938, Order No. 03-6171.

Respectfully submitted,
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Dated: October 28, 2010

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